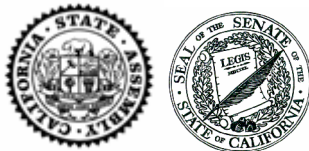


California Legislature



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GOP LAWMAKERS SAY DEMOCRAT JOBS TAX PLAN WOULD COST 249,000 CALIFORNIANS THEIR JOBS

Democrat \$6.6 Billion Jobs Tax Will Hurt Businesses, Economy

SACRAMENTO – Defending California businesses from the largest tax increase in state history, Assembly Republican Leader Mike Villines, of Fresno, and Senate Republican Leader Dick Ackerman, of Tustin, today joined small business owners from throughout the state to condemn the \$6.6 billion jobs tax Democrats have proposed to pay for health care. They said it would make it very difficult for many business owners to keep their heads above water, while doing nothing to lower health care costs.

“Forcing this tax down the throats of California businesses to pay for a new government-run health care scheme will devastate our economy and cause our budget problems to grow far worse,” Villines said. “Assembly Bill 8 won’t make it any easier for companies to afford health care for their hard-working employees, and may cause nearly a quarter million Californians to lose their jobs.”

“The Democrat proposal does not offer a remedy for the core problems with the state’s health care system,” said Ackerman. “Their ‘tax and regulate’ proposal is a dangerous experiment. It puts the health coverage for 30 million Californians at risk and endangers the state’s small businesses with unsustainable costs.”

Assembly Bill 8, by Assembly Speaker Fabian Núñez, D-Los Angeles, and Senate President Pro Tem Don Perata, D-Oakland, would impose a minimum 7.5 percent jobs tax and new government health care mandates on every small, medium, and large California business that does not provide the amount of health care coverage dictated by Sacramento. The jobs tax could be increased at any time by unelected state bureaucrats, without a vote of the Legislature, to pay for the newly-created government-run health care programs.

A new study released yesterday by the National Federation of Independent Businesses found that if the \$6.6 billion Democrat jobs tax increase were to go into effect, an estimated 249,000 Californians would lose their jobs, with nearly 65 percent of the losses hitting small businesses.

“I want to provide health coverage for my workers, but I don’t know how I would be able to pay a 7.5 percent jobs tax without having to make a terrible choice -- raise prices, lay off workers or close my doors,” said Lorraine Salazar, co-owner of Sal’s Mexican Restaurants in Fresno. “If lawmakers want to make a difference, they can start by providing more affordable health care options so I can select a health plan for my restaurants that meets the needs of my employees and fits within my budget.”

Assembly Republicans have proposed a series of 18 common-sense health care reforms designed to maximize choice, reduce costs and increase access to quality care for Californians. This will give businesses more affordable health care options and allow many to offer health coverage to their workers for the first time. Republican reforms include allowing small businesses to pool into groups to purchase discount health plans, and enabling workers and businesses to enjoy the tax advantages of health savings accounts.

Similar to the Assembly Republican proposals, the Senate Republican plan (Cal CARE) does not mandate that all California businesses provide health care coverage. Instead, Cal CARE utilizes tax incentives for individuals and businesses alike that will lessen the financial obstacles often associated with health care expenditures. Other incentives, including allowing employers to offer flexible work hours if they provide health care, would expand health care coverage. Additionally, demand for overburdened and expensive emergency room services will be reduced by the expansion of clinical care facilities with an emphasis on preventive medicine.

Assembly Bill 8 was expected to be heard during Wednesday afternoon’s hearing of the Senate Health Committee.

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